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TAGS: PREL EU CH

SUBJECT: EU ARMS EMBARGO UNLIKELY TO BE LIFTED DURING
GERMAN EU PRESIDENCY

REF: A. BEIJING 20898

¶B. STATE 183667

Classified By: POL External Unit Chief Edgard Kagan. Reasons 1/4 (b/d)

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¶1. (C) Summary: The EU Arms Embargo against China is unlikely to be lifted, or even be on the agenda, during the German EU Presidency that begins in January 2007, according to contacts at the German and UK Embassies in Beijing. Although both Italian President Prodi and French President Chirac publicly called for lifting the EU ban on arms sales to China during their respective visits to Beijing this fall, EU contacts feel there is still no consensus among member states at this time to reopen discussion on the subject. End summary.

Prodi and Chirac Support Lifting the Embargo

¶2. (C) Italian President Romano Prodi said Italy "leans to lifting" the EU Arms Embargo against China while at a joint press conference in Beijing with Premier Wen Jiabao during Prodi's September 13-19 visit. Prodi led a 500-person trade delegation to several Chinese cities to sign trade deals with China, Italy's largest source of imports after OPEC members. Separately, but under similar circumstances, French President Chirac in a Joint Statement with President Hu Jintao reiterated his opposition to the EU Arms Embargo during his October visit to China. During this visit France secured trade deals with China worth 5 billion Euro. (Comment: At a post-Chirac briefing to diplomats in Beijing, the French DCM said Chirac simply voiced well-known French policy as France has long been in favor of lifting the arms ban, but he admitted that France is "perhaps lonely in its view." End comment).

But Not Enough EU Consensus To Act

¶3. (C) Despite recent French and Italian public statements in support of lifting the EU arms embargo, neither country has taken active steps at the EU to reopen the issue of lifting the ban, according to contacts at the German and UK Embassies in Beijing. There is still no EU consensus about lifting the ban, according to the UK contact, and the EU continues to tell the Chinese that there are "technical issues" that must be resolved to lay the ground work for a lift.

¶4. (C) Separately, our German Embassy contact confirmed that the arms embargo "is not on the agenda" for the German EU Presidency which begins in January 2007. Pointing to the EU Presidency Conclusions of December 2004 which state "the

European Council reaffirmed the political will to continue to work towards lifting the arms Embargo" and invites "the next Presidency to finalise the well-advanced work in order to allow for a decision," he felt there would likely be no significant movement on the issue in 2007, under either the German or Portuguese EU Presidency. China has been pressing Germany for some time on the arms embargo issue and to grant them EU Market Economy Status, but China has not taken significant steps to address EU concerns about these issues, he said. Under the current German Chancellor, it would be highly unlikely that China will make much headway with Germany on the embargo issue, he commented. Noting that France will follow Slovenia in the EU Presidency in 2008, he speculated that China might find a more opportune moment to press the issue after the Beijing Olympics in summer 2008.

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